

BEFORE THE DEPARTMENT OF ADMINISTRATION  
OF THE STATE OF MONTANA

In the matter of the adoption of New Rule I     ) NOTICE OF ADOPTION  
pertaining to retention of credit union         )  
records   )

TO: All Concerned Persons

1. On July 27, 2006, the Division of Banking and Financial Institutions published MAR Notice No. 2-2-374 regarding the public hearing on the proposed adoption of the above-stated rule at page 1759 of the 2006 Montana Administrative Register, issue number 14.

2. After consideration of the comments received, the Division of Banking and Financial Institutions has adopted the following new rule I (2.59.405) as proposed but with the following changes from the original proposal, matter to be stricken interlined, new matter underlined:

NEW RULE I (2.59.405) RETENTION OF CREDIT UNION RECORDS

(1) Credit unions are required to preserve or keep their records of nonmember accounts for at least eight years after January 1 of the year following the time that the records are made; however, records showing unpaid balances in favor of members may not be destroyed.

~~(4)~~ (2) The schedule Credit Union Records Publication Appendix "A" establishes the minimum period for retention of nonmember account records for all state-chartered credit unions ~~records~~. Credit Union Records Publication Appendix "A" is maintained by the Commissioner of Banking and Financial Institutions, and may be updated at regular intervals not more than once a year by the commissioner. The ~~July 27, 2006~~ December 11, 2006, edition of the Credit Union Records Publication Appendix "A" is incorporated by reference as part of this rule. A copy of this document can be obtained from the Division of Banking and Financial Institutions, Department of Administration, 301 South Park, P.O. Box 200546, Helena, MT 59620-0546.

(2) through (5) remain the same but are renumbered (3) through (6).

(7) "Member accounts" mean share savings accounts, share draft accounts, share certificates, safety deposit boxes, and trust accounts.

AUTH: 32-3-201, MCA

IMP: 32-3-204, MCA

3. The following comments were received and appear with the division's responses:

Comment 1: A comment was received in regard to some records being listed under multiple categories.

Response 1: The division has reviewed the Appendix A and made corrections to ensure that records are not unnecessarily listed in multiple categories.

Comment 2: A comment was received that the Appendix A contained many bank-related records.

Response 2: The division reviewed Appendix A and deleted requirements that did not apply to credit unions. However, those requirements that could apply to credit unions or banks were not removed.

By: /s/ Janet R. Kelly  
Janet R. Kelly, Director  
Department of Administration

By: /s/ Dal Smilie  
Dal Smilie, Rule Reviewer  
Department of Administration

Certified to the Secretary of State December 11, 2006.